# GOVERNMENT OF INDIA
# AGRO AND RURAL INDUSTRIES
# LOK SABHA

UNSTARRED QUESTION NO:143
ANSWERED ON:15.07.2002
SETTING UP OF NEW INDUSTRIES IN RAJASTHAN
KAILASH MEGHWAL

**Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:**

(a) the details of efforts made by the Union Government to encourage rural industries and establish new industries in Rajasthan during the last four years since April 1, 1998 alongwith the results achieved therefrom;

(b) whether any economic assistance, loan and subsidy are being provided by the Union Government and Khadi and Village Industries Commission for industrial development of rural areas;

(c) if so, the details indicating the number of beneficiaries thereof;

(d) whether the Government of Rajasthan has submitted any scheme to the Union Government and Khadi and Village Industries Commission to provide strong economic base to rural industries and for the establishment of new industrial units; and

(e) if so, the details thereof and the action being taken thereon?

## Answer

THE MINISTER OF AGRO AND RURAL INDUSTRIES ( SHRI KARIYA MUNDA )

(a) to (c): To encourage rural industries and establish new industries in rural areas, the Government through Khadi and Village Industries Commission (KVIC) is implementing the Rural Employment Generation Programme (REGP) throughout the country including the State of Rajasthan. Under this scheme, the KVIC provides margin money assistance at the rate of 25% of the project cost upto Rs. 10 lakhs. For projects above Rs. 10 lakhs and upto Rs. 25 lakhs, rate of margin money is 25% of Rs. 10 lakhs plus 10% on remaining cost of the project. In the case of SC/ST/OBC/Women etc. and for hill border and tribal areas, North Eastern Region, Sikkim, Andaman & Nicobar Island, Lakshadweep, the margin money grant is 30% of the project cost upto Rs. 10 lakhs. For project costs greater than Rs. 10 lakhs and upto Rs. 25 lakhs, it is 30% of Rs. 10 lakhs plus 10% of the remaining cost of the project. Under the REGP, the beneficiary`s contribution is 10% of the project cost. In case of SC/ST and other weaker sections, beneficiary`s contribution is 5% of the project cost. This scheme is being implemented through Public Sector banks, Regional Rural Banks etc. A statement showing the projects financed and jobs created as on 31.03.2001, under this Scheme in the country including Rajasthan is attached at Annexure-I.

Moreover, for the development and promotion of KVI sector, the Government has announced a package on 14.5.2001. The package consists of Rebate Policy for five years, option of Rebate and Market Development Assistance (MDA), Insurance cover the Khadi artisans, emphasis on improvement of Khadi products, creation of packaging and design facilities, measures to promote marketing, brand building, cluster development etc. This package is under various phases of implementation.

(d): No, Sir.

(e): Does not arise.